

**DEPARTMENT OF STATE REVENUE  
LETTER OF FINDINGS NUMBER: 00-0052 MVE  
MOTOR VEHICLE EXCISE TAX  
For The Tax Period of 1999**

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**ISSUES**

**I. Motor Vehicle Excise Tax – Imposition**

**Authority:** IC 9-18-2-1.

The Taxpayer protests the imposition of the motor vehicle excise tax on their 1997 Lincoln.

**II. Tax Administration – Penalty**

**Authority:** IC 6-8.1-10-2.1, 45 IAC 15-11-2.

The Taxpayer protests the imposition of the negligence penalty

**STATEMENT OF FACTS**

Taxpayer was assessed the Motor Vehicle Excise Tax on a 1997 Lincoln for the period of September 1998 to August 1999. The Taxpayer moved to Indiana from Ohio in October 1998. More facts will be supplied as necessary.

I. **Motor Vehicle Excise Tax: Imposition**

**DISCUSSION**

Pursuant to Indiana Code section 9-18-2-1, within sixty days of becoming an Indiana resident, a person must register all motor vehicles owned by that person that will be operated in Indiana. Taxpayer concedes Indiana residency as of October 1998. Consequently, the assessment is valid starting in October of 1998.

**FINDING**

The Taxpayer's protest is sustained in part and denied in part. The assessment of the Motor Vehicle Excise Tax is valid starting October 1998.

II. **Tax Administration – Penalty**

**DISCUSSION**

IC 6-8.1-10-2.1(d) allows a penalty to be waived upon a showing that the failure to pay the deficiency was due to reasonable cause. Also, 45 IAC 15-11-2(c) requires that in order to establish reasonable cause, the taxpayers must show that they exercised ordinary business care and prudence in carrying out or failing to carry out a duty giving rise to the penalty imposed. The Department finds that the Taxpayers demonstrated reasonable cause for their failure to pay tax.

**FINDING**

The Taxpayers' protest of the penalty is sustained.